



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District


ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 4, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen 
Chief Administrative Officer

SACRAMENTO UPDATE

Potential State Revenue Windfall

According to an article in the Sacramento Bee, last week the State received between \$2.5 billion and \$3.0 billion in unexpected receipts from corporate taxes. The windfall is attributed to payments from companies that have outstanding claims disputing the State's interpretation of their tax liability. Under the current amnesty law, companies that lose their dispute with the State must repay the liability plus fifty percent in interest penalties. Previously, companies were required to pay full interest dating back to the time the tax was due. Although it is not certain that this revenue will ultimately belong to the State, in a best case scenario, the taxes are owed and retained by the State, or the companies win their cases and the revenue must be refunded. If the latter occurs, the process to issue refunds could take time and not all refunds will be paid at once.

Pursuit of County Position on Legislation

AB 547 (Berg and Richman), as introduced on February 16, 2005, would repeal the requirement that a city or county authorize its needle exchange program through a declaration of a local emergency. It would authorize clean needle exchange programs upon the action of a county board of supervisors and the local health officer or health commission, or upon the action of a city council, the mayor and the local health officer. AB 547 would require the needle exchange program to be part of a network of comprehensive services to combat the spread of HIV and hepatitis, subject to the availability of funding. AB 547 is identical to County-supported AB 2871 (Berg) which was vetoed by Governor Schwarzenegger on September 20, 2004.

The State Department of Health Services reports that syringe exchange programs have proven to be an effective public health intervention that reduces transmission of HIV and does not encourage illegal use of drugs. The Health Officers Association of California and other proponents of AB 547 contend that permanent needle exchange programs would facilitate the use of this effective prevention method on a wider basis across the State. County boards of supervisors would maintain control over programs, but they would not be burdened by declaring a state of emergency every two weeks.

The County Department of Health Services recommends support for AB 547 because it will significantly increase the ability of public health organizations to control the spread of deadly blood-borne diseases such as AIDS and hepatitis C, and we concur. Consistent with County support for AB 2871 in 2004, **our Sacramento advocates will support AB 547.**

AB 547 is sponsored by the Health Officers Association of California and supported by AIDS Project Los Angeles, Drug Policy Alliance, Humboldt County Board of Supervisors, Santa Clara County Board of Supervisors, and the Ministry in Action Commission. There is no registered opposition.

AB 547 is set for hearing on April 5, 2005 in the Assembly Health Committee.

Pursuit of County Position on Legislation

As introduced, **SB 926 (Florez)** would, on or before January 1, 2010: 1) require each local public agency to apply at least 75 percent of all sewage sludge generated by the local public agency to beneficial use, including electricity generation, composting, or other land applications; and 2) prohibit a local public agency from exporting sewage sludge generated by the local public agency to any other county unless an exception is granted by the appropriate regional board.

The Department of Public Works (DPW) indicates that it maintains three wastewater treatment plants in Malibu, and approximately 1.35 million gallons of sewage sludge is generated annually from these plants and transferred to the City of Los Angeles for treatment and disposal. The City exports the County's sludge, along with its own, outside the County because there are no adequate facilities in the County to beneficially use the sludge. The exported sludge is mainly utilized as fertilizer material for agricultural enterprises creating a beneficial use for material that otherwise might be deposited in a landfill. SB 926 would prohibit the transportation of this sludge beyond County lines, and effectively end its beneficial use in agriculture in other counties as an alternative to landfill because most of the State's agricultural land lies outside the County.

DPW indicates that SB 926's prohibition against exporting sludge to other counties could send over 337,000 gallons of sludge to landfills within the County. Existing County policy supports legislation to promote the development of alternatives to landfills. Because SB 926 is counter to existing County waste management policies, DPW recommends that the County oppose SB 926, and we concur. **Therefore, our Sacramento advocates will oppose SB 926.**

SB 926 is sponsored by the author and there is no known support. It is opposed by the Sanitation Districts of Los Angeles County. SB 926 is currently in the Senate Environmental Quality Committee awaiting a hearing date.

Status of County-Interest Legislation

County support-if-amended AB 696 (Chu), which would: 1) replace the quarterly reporting in CalWORKs and Food Stamps with semi-annual reporting; 2) provide categorical eligibility to Food Stamp benefits for certain Medi-Cal participants; 3) simplify Food Stamp verification requirements; 4) require the State to seek a Federal waiver to exempt certain Able-bodied Adults Without Dependents from the 3-month limit to Food Stamp benefits; and 5) eliminate the requirement to maintain a statewide fingerprint imaging system for use in connection with eligibility for CalWORKs, Food Stamps and General Assistance, passed the Assembly Human Services Committee on March 29, 2005 by a vote of 5 to 1. This measure now proceeds to the Assembly Appropriations Committee where it is awaiting a hearing date.

We will continue to keep you advised.

DEJ:GK
MAL:JF:MS:EW:MR:ib

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants